

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION
Baton Rouge, Louisiana

FINANCIAL REPORT

(Compiled)

December 31, 2012

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION

Baton Rouge, Louisiana

TABLE OF CONTENTS

December 31, 2012

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT		1
FINANCIAL STATEMENTS		
Statements of Financial Position	A	2
Statements of Activities	B	3
Statements of Cash Flows	C	4
Notes to Financial Statements	D	5



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Louisiana Industrial Development Executives Association
Baton Rouge, Louisiana

We have compiled the accompanying statement of financial position of the **LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION** (Association) (a nonprofit organization) as of December 31, 2012 and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The accompanying 2011 financial statements of the **LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION** were previously reviewed by us, and we stated that we were not aware of any material modifications that should be made to those statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated May 14, 2012, but we have not performed any procedures in connection with that review engagement since that date.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
May 1, 2013

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

(See Independent Accountants' Compilation Report)

	(Compiled) <u>2012</u>	(Reviewed) <u>2011</u>
ASSETS		
Cash	\$ 154,845	\$ 153,413
Investment - certificate of deposit	34,751	34,639
Accounts receivable	-	1,950
Prepaid expenses	<u>97</u>	<u>-</u>
 Total assets	 <u>\$ 189,693</u>	 <u>\$ 190,002</u>
 LIABILITIES		
Accounts payable	\$ 3,473	\$ 5,241
Deferred revenue	<u>11,280</u>	<u>13,050</u>
 Total liabilities	 14,753	 18,291
 NET ASSETS, UNRESTRICTED	 <u>174,940</u>	 <u>171,711</u>
 Total liabilities and net assets	 <u>\$ 189,693</u>	 <u>\$ 190,002</u>

The accompanying notes to financial statements
are an integral part of this statement.

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION

Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2012 and 2011

(See Independent Accountants' Compilation Report)

	(Compiled) 2012	(Reviewed) 2011
REVENUES		
Registration fees and sponsorships	\$ 38,050	\$ 81,965
Dues	32,200	30,600
Certification fees	1,000	3,000
Grants	10,615	96,160
Other	177	236
	<hr/>	<hr/>
Total revenues	82,042	211,961
	<hr/>	<hr/>
EXPENSES		
Program services:		
Member meetings	22,339	126,861
Sponsorships and awards	3,000	-
Management and general:		
Professional	45,050	54,752
Office services	3,437	4,180
Telephone and internet	1,045	1,368
Other	3,942	10,322
	<hr/>	<hr/>
Total expenses	78,813	197,483
	<hr/>	<hr/>
Change in net assets	3,229	14,478
	<hr/>	<hr/>
NET ASSETS		
Beginning of year, as restated	171,711	157,233
	<hr/>	<hr/>
End of year	\$ 174,940	\$ 171,711
	<hr/>	<hr/>

The accompanying notes to financial statements
are an integral part of this statement.

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012 and 2011

(See Independent Accountants' Compilation Report)

	(Compiled) 2012	(Reviewed) 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,229	\$ 14,478
Adjustments for non-cash items:		
Accounts receivable and prepaids	1,853	(1,950)
Accounts payable	(1,768)	5,241
Deferred revenues	(1,770)	(65,730)
Net cash provided (used) by operating activities	1,544	(47,961)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in certificate of deposit	(112)	(211)
Net increase (decrease) in cash	1,432	(48,172)
CASH		
Beginning of year	153,413	201,585
End of year	\$ 154,845	\$ 153,413

The accompanying notes to financial statements
are an integral part of this statement.

LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Louisiana Industrial Development Executives Association (the Association) is a non-profit Louisiana corporation chartered in 1964. The membership in the Association is open to professional and volunteer persons/groups seeking to promote the economic health and vitality of the State of Louisiana. The expressed purpose of the Association and its membership is to create new job opportunities by encouraging companies to locate in Louisiana and to assist resident industries to expand.

The Association provides its members and others with opportunities for dialogue, education, advancement and improvement in all aspects of industrial, economic and community development in Louisiana through meetings, seminars, communications, publications and other programs and activities. The Association seeks to articulate and advocate the needs and interests of the State of Louisiana's industrial, economic and community developers and their constituents before legislative, administrative and judicial branches of local, state and national governments.

The Association's revenues consist primarily of dues from its members, state grants and registration fees for its meetings.

Accounting policy

The Association's accounts are maintained on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

Basis of presentation

The Association reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association does not have any temporarily or permanently restricted net assets at December 31, 2012 and 2011.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates are used primarily when accounting for deferred revenues.

Cash and investments

Cash held consists of the Association's operating bank account. Certificates of deposit with a maturity of greater than three months are classified as investments.

Investment valuation and income recognition

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements*, (ASC 820), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access. The Association does not have any level 1 inputs.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement. The Association does not have any level 3 inputs.

Excess funds of the Association are invested in a certificate of deposit to maximize earnings until such time that these monies are needed for organizational expenses. Certificates of deposit (measured with level 2 inputs) are recorded at cost which approximates fair market value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred revenues

Deferred revenues represent dues and sponsorships collected in 2012 for services and programs to be provided or held in 2013.

Income taxes

The Association is income tax exempt under section 501(c)(6) of the Internal Revenue Code. The Association files a Form 990 tax return in the U.S. federal jurisdiction.

The Association follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Association has no material uncertain tax positions and, accordingly, has not recognized a liability for any unrecognized tax benefits. The Association's open audit periods are 2009 through 2012.

Fair value of financial instruments

The carrying value of cash, receivables, and accounts payable approximates fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

NOTE 2 - INVESTMENT

At December 31, 2012 and 2011, the Association held an investment in a certificate of deposit (CD) with a market value of \$34,751 and \$34,639, respectively. Interest earnings are reinvested into the CD and therefore fair market value equals cost of the investment.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Association to concentrations of credit risk consist primarily of certificates of deposit. The Association maintains cash and cash equivalents in a local bank that may, at times, exceed the FDIC limits. Management believes this risk is limited.

NOTE 4 - SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of these financial statements, which was the date the financial statements were available to be issued.

NOTE 5 - PRIOR PERIOD ADJUSTMENT

During 2012, LIDEA discovered an error in the accrual of certain revenues and expenses for the year ended December 31, 2011. The correction resulted in a decrease in net assets of \$9,500 as follows:

Net assets at December 31, 2011, as previously stated	\$ 181,261
Decrease for overstatement of grant revenue and accounts receivable	(8,050)
Decrease for understatement of professional fees and accounts payable	<u>(1,500)</u>
Net assets at December 31, 2011, as restated	<u>\$ 171,711</u>